

# Defense Logistics Agency

---



## Subcontracting Opportunities & DoD Mentor Protégé Program

*September 2009*

---

**Warfighter  
Support**

**Stewardship  
Improvements**

**Business Process  
Refinements**

**Wo  
Dev**



# Subcontracting Program

---

## Subcontracting Snapshot

- Goals
- Reports
- Performance



## Toolbox



- DoD Mentor Protégé Program
- Other Mentoring Programs
- Procurement Technical Assistance Centers
- Indian Incentive Program



# What is a Subcontract?

---

Any agreement (other than one involving an employer-employee relationship) entered into by a Government prime contractor or subcontractor calling for supplies and/or services required for performance of the contract, contract modification or subcontract.

(FAR 19.701)



# DoD Subcontracting Program

---

Contracts greater than the  
Simplified Acquisition Threshold  
(applies to SB and OTSB)

- *“Maximum practicable opportunity”* to participate consistent with efficient contract performance
- Clause at FAR 52.219-8
- N/A when—
  - Personal Services
  - Performance Entirely Outside the U.S....  
(FAR 19.708)



# **DoD**

# **Subcontracting Program**

---

## **Subcontracting Plan Requirements**

- Clause at FAR 52.219-9 (applies to OTSB)
- Acquisition greater than \$550K (\$1M for construction)
  - With Subcontracting Possibilities
  - Submit Acceptable Plan or Ineligible for Award
- Multi-Year Contracts / Contract With Options
  - Cumulative Value of Basic Contract + All Options considered in determining if a plan is necessary
  - If Individual Plan : Separate Goals for Basic + Each Option



# DoD Subcontracting Program

---

## Subcontracting Plan NOT required?

- From SB
- For personal services contracts
- For contracts/mods to be performed **entirely** outside the US & outlying areas
- For mods within the general scope that do not contain 52.219-8 “Utilization of Small Business Concerns” clause (or prior clauses for contracts awarded before PL 95-507)



# Types of Plans

---

- **Individual**

- 1 contract, 1 plan
- Covers the entire contract period (incl. options)
- Goals support the contract
- Indirect costs allocated on a pro-rated basis

- **Master Plan**

- Boiler plate info – individual plan minus goals
- Continue to do contract by contract “goals”
- Effective for 3 Years
- Plant/Division Basis
- Needs pre approval by the Contracting Officer



# Types of Plans

---

## Commercial Plan

- Preferred for commercial items
- Based on **Contractor's FY**
- Applies to the entire production of commercial items
- Plant/Division Basis
- **Annual Plan**
  - Applies to **all** government contracts in effect during that period
- **Who approves?**
  - 1<sup>st</sup> CO awarding a contract during contractor's FY; or
  - For on-going contracts with commercial plans to CO w/contract w/latest completion date
  - 30 days prior to end of FY
- Contractor responsible to provide name of CO who negotiated the plan and provide a copy of the plan to each CO with open contracts.





# Types of Plans

---

- DoD Test (Comp. Test or CSP)

“Test Program for Negotiation of Comprehensive SB Subcontracting Plans”

- NOT a type of Plan, per se
- Very similar to a commercial plan
- Plant/Division/Corporate basis
- Annual Plan
  - Applies to all DoD contracts in effect during the period
- DCMA delegated Plan negotiation and review functions



# Subcontracting Plan Goals

---

- Small Business
- SDB
- WOSB
- HUBZone SB
- VOSB
- SDVOSB

**Based On:  
Total \$ To Be Subcontracted**

**\$ and % of  
Subcontract Dollars  
To Each SB Category**

11 Mandatory Elements



# Subcontracting Plan Reporting

---

## Type of Plan

- Individual
- Master
- Commercial
- DoD Comp Test

## Type / Frequency of Report

- ISR / SF 294 – semiannual \*
- SSR / SF 295 – semiannual
- ISR / SF 294 – semiannual
- SSR / SF 295 – semiannual
- SSR / SF295 – annual
- SSR / SF 295 - semiannual \*\*

\* ISR = Individual Subcontract Report

SSR = Summary Subcontract Report

\*\* DCMA is getting quarterly data in some cases

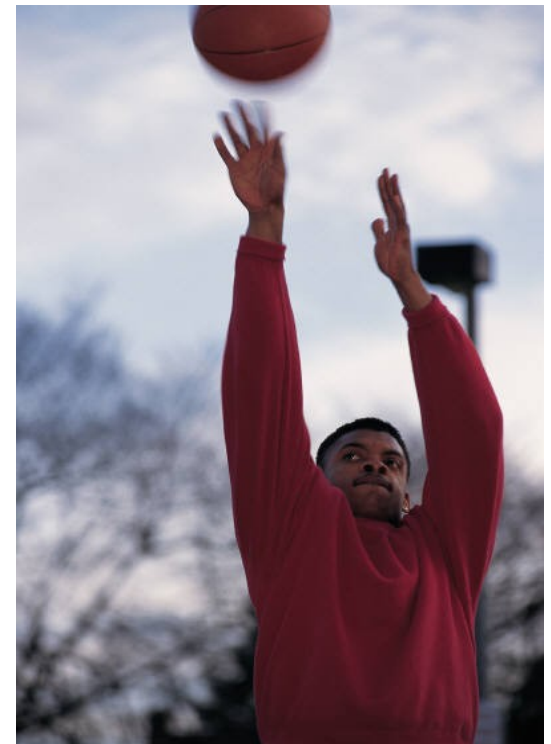


# Subcontracting Performance

---

## Things to Consider

- How do you develop your goals?
  - Market Research
  - Defined Process
- Are you meeting your goals?
- How to Improve Performance?
  - Strategy
  - Initiatives





# Subcontracting Program Toolbox

---

## The Toolbox :

What is it?

- Special Programs
- Contracting Mechanisms
- Practices / Processes/ Policies
- All with the objective of assisting you with finding subcontractors and improving your potential subcontract performance

Following are a few samples





# Toolbox

---

## DoD Mentor-Protégé Program





# DoD MPP - Background

---

- Established on November 5, 1990  
(Public Law 101-510)
- Concerns raised by DoD prime contractors, that many SDBs did not possess the technical capabilities to perform DoD subcontract requirements.
- Extended through 2010 for new agreements.



# DoD MPP - Background

---

- DoD MPP seeks to encourage major DoD prime contractors (**mentors**) to develop the technical and business capabilities of eligible **protégés**
- **Goal:** Assist protégés to compete successfully for prime contract and subcontract awards
- Successful Mentor-Protégé agreements provide a winning relationship for the Mentor, Protégé, and DoD
- Defense Federal Acquisition Regulation Supplement (**DFARS**), **Appendix I**, provides regulatory guidance for the DoD Mentor-Protégé Program.





# Types of Agreements

---

## **Reimbursable Agreements**

- Provides monetary reimbursement for the cost of developmental assistance incurred by the mentor firm provided to a protégé firm in accordance with the approved agreement

## **Credit Agreements**

- Allows a mentor to receive credit toward subcontracting goals for costs incurred, see DFARS Appendix I-110



# Eligibility as a Mentor

---

- At least one active approved subcontracting plan (FAR 19.702)
- Be eligible for the award of Federal contracts
- Demonstrate the capability to assist in the development of protégé firms
- Approved to participate as a mentor in accordance with DFARS Appendix I-105
- Graduated 8(a) firm that provides documentation of its ability to serve as mentor

**A Mentor May Have More Than 1  
Protégé !**



# Eligibility as a Protégé

---

- SDB
- Business entities owned/controlled by an Indian Tribe, Native Hawaiian or Native Alaskan
- WOSB
- HUBZone SB
- SDVOSB
- Qualified organization  
employing the severely disabled
- Be eligible for award of federal contracts

**A Protégé may  
have only  
1 Approved Active  
DoD MPP  
Agreement**



# Why Be A Mentor?

---

- Develop long-term business relationships with eligible small businesses
- Develop a subcontracting base
- Direct cost reimbursement and/or credit toward subcontracting goals
- Teaming Opportunities to win new contracts and/or subcontracts
- Marketing Tool
- Networking Opportunities

***Meet/Exceed  
Goals !***

***Improve Subcontracting  
Performance***



# Why Be A Protégé ?

---

- Relevant Technical Assistance
- Develop long-standing business relationships
- Teaming opportunities with mentor to win new contracts and/or subcontracts
- Enhance Capabilities
- Marketing Tool
- Open Doors





# DoD MPP Information

---

- DoD MPP Home Page:  
*[http://www.acq.osd.mil/osbp/mentor\\_protege](http://www.acq.osd.mil/osbp/mentor_protege)*
  - Program Information Packet
  - Templates for New Mentor Application and Mentor-Protégé Agreement Application
- MPP Hotline at (800) 540-8857 or  
[programinformationmp@osd.mil](mailto:programinformationmp@osd.mil)
- DoD Home Page: *<http://www.acq.osd.mil/osbp>*



# DoD MPP Information

---

- DoD: Mr. Paul Simpkins

DoD MPP Program

Manager

(800) 540-8857

(703) 604-0157

- DLA: Ms. Peggy Glasheen (703)-767-1657

- DESC: Ms. Lula Manley (703)-767-9465

Ms. Veronica Smith (703) 767-9704



# Federal Agency Programs

---

## **Small Business Administration (SBA)**

- Allows Joint venture between Mentor and Protégé.

## **Environmental Protection Agency (EPA)**

- Mentors are permitted to award non-competitive contracts up to \$1,000,000 to protégé firms.

## **Department of Energy (DoE)**

- MPP also applies to Historically Black Colleges and Universities and other minority institutions of higher learning.

## **National Aeronautics and Space Administration (NASA)**

- Mentors can earn award fees for their performance on contracts with award fee incentives





# Federal Agency Programs

---

## Department of Treasury (Treasury)

- MPP is implemented in 3 phases.
- 8(a) firms as protégés on Treasury contracts, prime contractors as mentors to small businesses, and HUBZone and Service Disabled Veterans.
- Mentor may receive a non-monetary award for providing exceptional developmental assistance to protégé.

## Federal Aviation Administration (FAA)

- Mentors may receive additional evaluation points and credit toward subcontracting goals and procurements may be set-aside for MPP.

## Department of Homeland Security (DHS)

- Mentors will be eligible for an annual award presented to the mentor firm providing the most effective developmental support to a protégé.

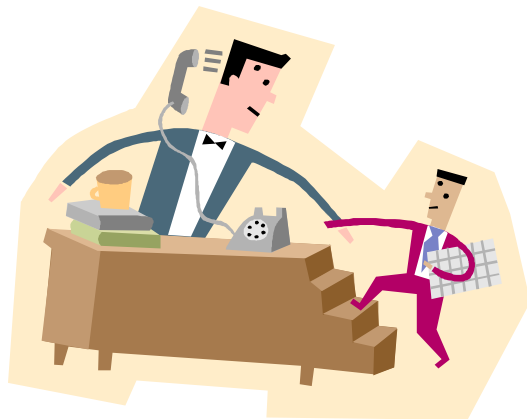


# Toolbox

---



DoD  
PROCUREMENT  
TECHNICAL ASSISTANCE  
COOPERATIVE AGREEMENT  
PROGRAM  
(PTAP)





# **PTAP Purpose**

---

**To generate employment and to improve the general economy of a locality by assisting business firms in obtaining and performing under Federal, state and local government contracts.**



# Program Focus

---

- Assist **all** businesses in government contracting
- Concerted effort to provide outreach to:
  - SB
  - SDB
  - WOSB
  - HUBZones SB
  - VOSB / SDVOSB
- Services are **NOT** limited to SB



# Services

---

Include, but are not limited to:

- Identifying marketing opportunities
- Matchmaking (e.g. marry mentors & protégés)
- Assisting and advising clients about post award functions
- Bid matching services
- Helping clients understand Government contracting procedures and requirements



# Training

---

## **PTACs train clients in areas such as:**

- Federal contracting regulations
- Subcontracting opportunities
- Required registrations, such as CCR
- Accounting procedures
- Other assistance programs



# PTAP Program Year 2008 Facts

---

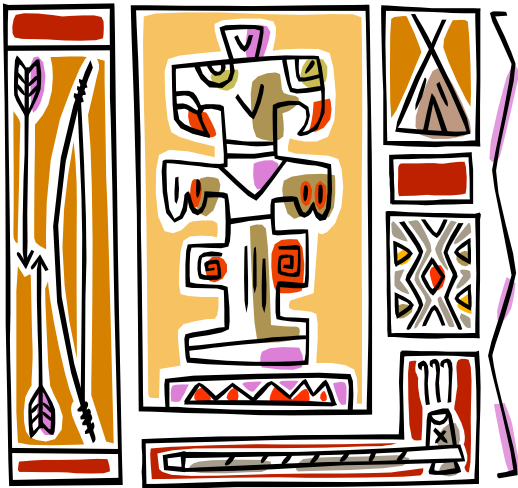
- 90 Procurement Technical Assistance Centers (PTACS)
  - 48 statewide programs
    - Includes 2 Native American Program
  - 42 regional programs
- Locate the PTAC near you at:  
[www.dla.mil/db/procurem.htm](http://www.dla.mil/db/procurem.htm)
- Or Call: 703-767-1654, 3297, 6179, 1656



# Toolbox

---

## Indian Incentive Program







# Indian Incentive Program

---

## **A congressionally sponsored program**

- Purpose: Economic multiplier for Native American Communities
- The Program:
  - 5 percent rebate
  - On the total amount subcontracted to an Indian-Owned Economic Enterprise or Indian Organization
  - Back to the prime contractor
- DFARS Clause 252.226-7001
- DoD prime contractors, regardless of size of contract, that contain the above referenced clause(s) are eligible for incentive payments



# Indian Incentive Program

---

For More Information:

[www.acq.osd.mil/osbp/programs/iip/index.htm](http://www.acq.osd.mil/osbp/programs/iip/index.htm)

Or Call:                Ms. Johnson  
                              (703) 604-0157, Ext. 143

<http://www.acq.osd.mil/osbp/index.html>